

**SOUTH AFRICAN MEDICAL
RESEARCH COUNCIL**



**CODE OF BUSINESS CONDUCT
FRAMEWORK POLICY**

Document review and approval

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1. REGULATORY FRAMEWORK

The following legislation (including regulations and National Treasury Circulars and Guidelines), policy and leading practice have reference -

- 1.1. The Constitution of the Republic of South Africa is mandated in, inter alia section 7(2) to respect, promote and fulfill the rights of South African people as defined in the Bill of Rights.
- 1.2. The South African Medical Research Council Act, Act 58 of 1991 that states, inter alia, under section 17: Research on and experimentation with humans, animals and human and animal material, that the Board may determine ethical directives and enforce the directives as it may deem necessary.
- 1.3. The Public Finance Management Act, Act 1 of 1999 (PFMA) dedicates, inter alia, chapter 10 of the Act to disciplinary and criminal proceedings for financial misconduct and other chapters depict the need to disclose actions taken in these circumstances.
- 1.4. King IV – The Report and Code of Governance for South Africa, 2016 with particular reference to Principle 2: The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture and the sector supplement applicable to State Owned Entities (Part 6.6: Supplement for State-Owned Entities (SOEs)) as a guide for good corporate governance.
- 1.5. The National Health Act, Act 61 of 2003, chapter 9: National Health Research and Information – stipulates the need for a National Health Research Ethics Council (section 72) and health research ethics committees (section 73).
- 1.6. The Charter of the Public and Private Health Sectors of the Republic of South Africa.
- 1.7. The National Treasury Regulations: PFMA and the Code of Conduct for Supply Chain Management (SCM) Practitioners define the need for ethical behaviour in SCM.
- 1.8. The Prevention and Combating of Corrupt Activities Act, Act 12 of 2004 applies to the SAMRC and states that the illicit acquisition of personal wealth can be particularly damaging to democratic institutions, national economics, ethical values and the rule of the law.
- 1.9. Labour Relations Act No. 66 of 1995 (as amended) intends to, inter alia, regulate the organisational rights of trade unions and promote and facilitates collective bargaining at the workplace and at sectoral level
- 1.10. The South African Protection of Personal Information Act, No. 4 of 2013 (“POPI”), amongst other things sets out the minimum standards regarding accessing and processing of any personal information belonging to another.

2. PURPOSE

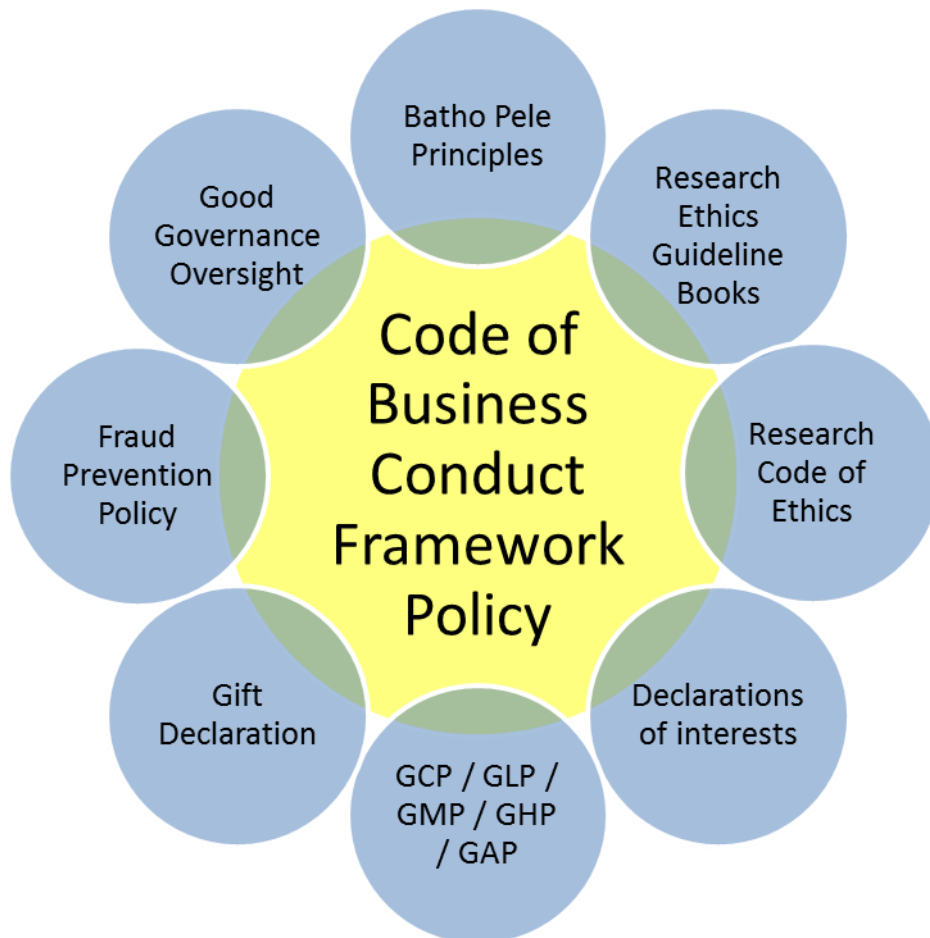
To define the parameters of the spirit of ethical conduct of the South African Medical Research Council (SAMRC) business and research as well as the employee ethos in terms of fairness, transparency, justice and standards that will contribute to upholding the integrity, credibility and reputation of the SAMRC and its stakeholders.

The Code of Business Conduct Framework Policy should be used as the first reference point for employees to resolve any ethical issue that they may encounter. Although it cannot provide specific answers to every conceivable situation in the workplace, it should provide basic guidance and is complementary to the values and other policies implemented within the SAMRC.

3. POLICY

3.1. The Code of Business Conduct Framework Policy is intended to prevent unethical behaviour and encourage ethical behaviour. SAMRC does not tolerate any form of dishonesty, bribery, corruption, or misrepresentation be it of a financial or non-financial nature. This code of business conduct is directed at SAMRC’s internal stakeholders (managers and employees) and external stakeholders will be advised accordingly of SAMRC practices to maintain and protect the SAMRC image and reputation.

The Code of Business Conduct Framework Policy model:



3.2. The SAMRC values play an integral part in the Code of Business Conduct Framework Policy, i.e.

- 3.2.1. Pioneering: We push the boundaries between the known and the unknown to further our knowledge of human health within the precepts of responsible (ethical) conduct of research.
- 3.2.2. Partnering: We celebrate the capacity of collective minds towards a common goal. We build partnerships with many stakeholders at local, national, regional and international levels to exchange ideas, advance shared goals, optimize the use of resources to minimise duplication, and leverage funding.
- 3.2.3. Excellence: We strive for distinction in everything we do by developing highly skilled personnel, capacity building and transformation, and conducting research of high value.
- 3.2.4. Respect: We value and respect our communities, participants, researchers and funders
- 3.2.5. Integrity: We commit to transparency, accountability, open communication and ethical conduct.
- 3.2.6. Citizenship: We demonstrate responsibility to the community, nation and the World.

3.3. The Code of Business Conduct Framework Policy, supporting ethical documents, and the SAMRC values define the following behaviour expectations that would be required of the SAMRC employees:

- 3.3.1. *Dealing with people* - respecting the individual, as mutual understanding is built on respect for the individual's rights, dignity, aspirations and interests. The SAMRC is committed to honouring its commitment to provide a work environment that is free from discrimination based on race, colour, religion, nationality, gender, disability, marital status or any other unlawful factor.
- 3.3.2. Respecting human rights – The SAMRC is committed to conducting its business in a manner that respects and promotes the human rights and dignity of all those within its sphere of influence and avoids complicity in human rights abuses throughout its business and research as guided by the entire Constitution in general and section 13 of its Chapter 2 in particular, as part of the regulatory framework, which states that no one may be subjected to slavery, servitude or forced labour.
- 3.3.3. Value diversity – The SAMRC promotes a culture that respects the diversity of its people and appreciates the traditions and cultures of every employee.
- 3.3.4. Equal opportunities - to be made available for all our employees without unlawful discrimination. This includes recruitment, working conditions, training, compensation, benefits and promotion.
- 3.3.5. Open and honest communication - The SAMRC commits to

keeping communication channels open. Communication is encouraged through the line of command to and from the highest level possible within the SAMRC. Share relevant business-related information timeously with one another in order to allow for informed decisions to be made.

- 3.3.6. Communications with one another, stakeholders and customers - always be professional and courteous.
- 3.3.7. Privacy of personal information - the SAMRC places a high premium on the privacy of personally identifiable information. The SAMRC adheres to the highest standards of protecting personal information and is committed to respecting and observing the privacy of personal identifiable information about an individuals, both natural and juristic. In this connection, the SAMRC has put in place the Personal Information Privacy Policy, Internal Data Handling Policy (POPIA manual) and Data-Subject Access Request Policy setting out its standards all of which are freely available on the SAMRC's intranet.
- 3.3.8. Conflicts of interest - an employee's duty is to act in the exclusive interests of the SAMRC and not for personal gain, unless this has been duly authorised. A conflict of interest arises when the employee's personal activities and relationships interfere, or appear to interfere, with the employee's ability to act in the best interest of the SAMRC. Therefore, an employee may not:
 - 3.3.8.1. have a direct or indirect interest (financial or otherwise) in a supplier, customer, and distributor or in any organisation that could cause a conflict of interest.

*As per the National Treasury Practice Note No. 7 of 2009/2010
SCM – Declaration of Interest: Amendment and augmentation of Standard Bidding Document (SBD4)*

- “16A8.4 If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must –
 - (a) disclose that interest; and
 - (b) withdraw from participating in any manner whatsoever in the process relating to that contract.*
- 16A8.5 An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing.*
- 16A9.2 The accounting officer or accounting authority –
 - (a) may disregard the bid of any bidder if that bidder, or any of its directors –
 - (i) have abused the institution's supply chain management system
 - (ii) have committed fraud or any other improper conduct in relation to such system; or
 - (iii) have failed to perform on any previous contract; and
 - (b) must inform the relevant treasury of any action taken in terms of paragraph (a).”*

- 3.3.8.2. disclose non-public information about the SAMRC or any other business partner for own benefit or anyone outside the SAMRC.
- 3.3.8.3. perform outside work (a second job) outside the scope of activities in the SAMRC, on the MRC Premises or in MRC time, without the SAMRC's written permission (this includes directorships on boards, etc.).
- 3.3.8.4. unless at the instruction of a court of law, provide expert testimony without first submitting the request to the Executive Management Committee to obtain permission to do so. Where testimony is requested at the instruction of a court of law the President, or delegated official should immediately be notified thereof.
- 3.3.8.5. Use their position for any personal gain or for the benefit of a third party such as, personal exploitation of information to which an employee has access to by reason of their employment with SAMRC.

3.3.9. In applying the Public Administration Management Act, 2014, the SAMRC is not permitted to do business with employees of the state or public or private companies where an employee of the state is a director of the company.

3.3.10. In terms of the Minister of Health's correspondence "Payment of Honorarium of public officials serving as members on the Statutory Health Professional Councils and the Boards of Health Public Entities" dated 28 March 2016, an employee may not receive remuneration serving as a member whether elected or appointed to the Board / Council for board activities whether inside or outside normal working hours. Should the employee wish to be compensated, approval from the Executive Authority must be sought.

Any direct cost such as travel, accommodation and meals, should be recovered from the state or state-controlled institution of which the employee serves as a Board/Council member. Employees serving on the Boards/Councils are not required to take leave to attend to their duties related to the Board/Council.

3.3.11. Environmental conservation – the SAMRC is committed to preserving and protecting the environment.

3.3.12. Threats and violence in the workplace – the SAMRC is deeply concerned with the safety of its employees. Physical and emotional abuse including sexual harassment or any perceived threat of violence shall be dealt with severely in accordance with the SAMRC Employee Relations Policy. Any employee who witnesses or overhears prohibited conduct or has concerns regarding his/her safety or the safety of a colleague, customer or supplier should immediately report these concerns to a manager

who in turn will contact the person in charge.

- 3.3.13. Substance abuse – the SAMRC is committed to a drug-free workplace. The misuse of alcohol, drugs and related substances while on the business premises or while conducting business, is prohibited.
- 3.3.14. Safeguarding our assets - the SAMRC is committed to -
 - 3.3.14.1. Making proper and efficient use of SAMRC funds and property.
 - 3.3.14.2. Conducting business as if using one's own money and other resources.
 - 3.3.14.3. Reporting of suspected loss, damage, misuse, theft, embezzlement or destruction of funds or property.
- 3.3.15. Proprietary Information / Intellectual Property - will not be disclosed to outsiders, except as required by law, because doing so could disadvantage the SAMRC. Legal & Compliance Services should be consulted for assistance in this regard.
- 3.3.16. Record Management - including research, financial, legal, human resource administration data management and other essential documentation.
- 3.3.17. Contact with or statements to the media - handling this relationship in a professional manner is essential. In accordance with the SAMRC Media Relations & Social Media Protocol Framework the President of the SAMRC is responsible for handling media matters and he/she may delegate these duties from time to time, as he/she deems appropriate.
- 3.3.18. Business Relations with Funders / Collaborators / Partners - the SAMRC recognizes that integrity and delivery satisfaction go hand in hand. Each employee will be expected to apply sound judgment in deciding which would be the most ethical means of dealing with any given situation involving funders, collaborators, partners, competitors, suppliers, the public, fellow employees and SAMRC matters in general. The following guidelines for ethical conduct when engaging with funders, collaborators or partners must be observed at all times:
 - 3.3.18.1. Honesty, integrity and open communication are fundamental to ethical behaviour.
 - 3.3.18.2. Credibility is essential for sound, lasting relationships and misrepresentations of our research and service outcomes must be avoided at all times.
- 3.3.19. Selection of suppliers - The SAMRC strives to build healthy working relationships with suppliers. They are partners in helping the SAMRC to achieve the highest standards of quality. Our choice of suppliers is based on price, quality, delivery capability

and reputation for service and integrity and B-BBEE. The selection of suppliers will be done by applying fair, legally sound, equitable and consistent procurement processes in accordance with the SAMRC Supply Chain Management Policy.

- 3.3.20. Business courtesies / gifts, invitations and favours - are to be declared in accordance with the SAMRC Gift Standard Operating Procedure (SOP).
 - 3.3.21. Community engagement - the SAMRC encourages its employees to participate in community engagements always treating communities with respect. Employees should ensure however, that no conflict of interest is incurred or confidentiality violated. Care should be taken to preserve the good reputation of the SAMRC.
 - 3.3.22. Involvement in political activities - the overriding principle should always be that the interest of the SAMRC, as a national research institute, is not unfairly/unduly prejudiced by political activities.
- 3.4. The enablers of the components of the Code of Business Conduct Framework Policy are essential to the holistic behaviour requirements of a SAMRC employee. An explanation / summary of each enabler is provided below:
- 3.4.1. *The Batho Pele Principles* - Through the Batho Pele principles of 1997, the government aimed to instil a culture of accountability and caring in public servants.
 - 3.4.2. *Research Ethic Guideline Books* – The SAMRC currently has five books (as updated), the first book addresses general principles of medical ethics and the remaining four address various research processes. These books can be found on the intranet.
 - 3.4.3. *Research Code of Ethics* – The policy of the SAMRC requires that all research supported by the SAMRC must be of the highest ethical standards and no research will be sponsored without ethics clearance from a Research Ethics Committee recognized by the SAMRC and which operates in accordance with SAMRC ethics guidelines. Where applicable, regulatory approval is also required
 - 3.4.4. *Declarations of interest* – staff with potential business conflicts, financial and private interests must be declared in line with the on-line declaration requirements. This will be completed via their annual declaration, meeting declarations, SCM declarations (as per the PFMA, Act 1 of 1999) and stakeholder declarations.

All outside work, financial and private interest, and any other business activities must be declared when completing the SAMRC

Annual On-line Declaration of Interest. Where these relate to dealings with any state entity, full declaration must be provided as required in the On-line Declaration of Interest.

3.4.5. *Good Clinical Practices (GCP), Good Laboratory Practices (GLP), Good Agricultural Practices (GAP), Good Harvesting Practices (GHP) and Good Manufacturing Practices (GMP)* – These are recognized standards that define professional conduct for SAMRC research. It is the responsibility of the employee to ensure that formal and regular accreditation is obtained.

3.4.6. *Gift Declaration* – A SAMRC employee and/or board member may not accept gifts (gratification), directly or indirectly, for himself/herself or for the benefit of another which requires him/her to act in a manner that makes him/her guilty of the offence of corruption.

The SOP defines types of gifts, the ceiling value of a gift and the process to be followed for the declaration of a gift. The SOP prohibits the acceptance of gifts from current or prospective suppliers, vendors or any other person or entity within which the employee has a relationship that may impact their work.

3.4.7. *Fraud Prevention Policy* – The purpose of the Fraud Prevention Policy is to create a climate for the prevention and detection of irregularities, control breakdown, bribery, corrupt activities and theft and to outline key roles and responsibilities for controls, fraud identification, investigation and reporting.

3.4.8. *Irregular and Fruitless & Wasteful Expenditure* - (PFMA) Treasury Regulation 9.1.1 requires that the accounting authority must exercise all reasonable care and detect irregular expenditure and fruitless and wasteful expenditure.

The SOP, designed to provide a formal process for the identification and reporting of potential and known Irregular and Fruitless and Wasteful Expenditure transactions, is updated as a result of changes in legislation or directives from National Treasury. It applies to all persons employed by the SAMRC that are aware of or are made aware of transactions that could be regarded as Irregular and Fruitless & Wasteful Expenditure.

3.4.9. *Good Governance Oversight – Oversight of the ethical climate of the SAMRC is essential and these follow three lines of defence, namely:*

3.4.9.1. First line of defence i.e. Management of research and business processes

3.4.9.2. Second line of defence i.e. Management and Board–Sub Committees e.g. Executive Management Committee (EMC) and Audit, Risk and IT Committee (ARIC).

3.4.9.3. Third line of defence i.e. Accounting Authority (SAMRC)

Board) & Executive Authority (National Department of Health) and National Treasury.

4. SCOPE

This policy is applicable to all persons employed by the SAMRC, including non-SAMRC employees appointed as members of SAMRC independent committees.

5. DISCIPLINARY ACTION

It is the responsibility of all employees to ensure that he/she complies with the provisions of this policy. When in doubt, employees should always be guided by the basic principles stated in the policy and seek guidance where necessary from their Line Manager, Human Resources or Legal & Compliance Services.

Employees may report any practices or actions believed to be inappropriate under this Code to their Line Managers or the appropriate members of the Human Resources or Legal & Compliance Services. Where appropriate, complaints may be made on a confidential basis or through the SAMRC website.

Any employee breach of this policy will be addressed in terms of the Employee Relations Policy.

6. DEFINITIONS APPLICABLE TO THE POLICY

- 6.1. Accounting Authority (AA)
In terms of the SAMRC, the AA is the Board.
- 6.2. Ethics
'Ethics' and 'morality' refer to the concept of "do no harm".
- 6.3. Executive Authority (EA)
The EA is the Minister of Health
- 6.4. Corruption
The giving or receiving of a benefit (gratification), which is not lawfully due either for doing something that should not be done or not doing something that should be done.
- 6.5. Good Governance Oversight
The lines of defence that ensure that an ethical culture is upheld, encompassing supervision and management, fraud risk management, disciplinary actions, combined assurance and integrated reporting.
- 6.6. Management
For the purposes of this policy the term 'management' relates to the Executive Management Committee, Unit Directors, Executive Managers, National Managers, Division Managers, Specialist and Senior Scientists.

- 6.7. State:
State refers to:
- (a) Any National or provincial department, national or provisional public entity or constitutional institution within the meaning of the PFMA;
 - (b) Any municipality or municipal entity;
 - (c) Provincial legislature;
 - (d) National Assembly or the National Council of Provinces; or
 - (e) Parliament

7. RELATED POLICIES, GUIDELINES AND STANDARDS

The following documents, as indicated in the Code of Business Conduct Framework Policy Model, have reference:

- 7.1. The SAMRC SCM Policy
- 7.2. The Gift Declaration standard operating procedure of the SAMRC
- 7.3. SAMRC Employee Relations Policy
- 7.4. SAMRC Privacy of Personal Information Policy

- 7.5. SAMRC Research Ethics Guideline Books
 - 7.5.1. Book 1: General Principles
 - 7.5.2. Book 2: Reproductive Biology and Genetic Research
 - 7.5.3. Book 3: Use of Animals in Research and Training
 - 7.5.4. Book 4: Use of Biohazards and Radiation
 - 7.5.5. Book 5: HIV Prevention Vaccine Research

- 7.6. Standards and Guidelines
 - 7.6.1. Good Clinical Practices (SA-GCP)
 - 7.6.2. Good Laboratory Practices (GLP)
 - 7.6.3. Good Agricultural Practices (GAP)
 - 7.6.4. Good Harvesting Practices (GHP)
 - 7.6.5. Good Manufacturing Practices (GMP)
 - 7.6.6. Good Bio-safety Practices
 - 7.6.7. Human Genome Editing: Science, Ethics and Governance
 - 7.6.8. Framework for Responsible Sharing of Genomic and Health Related Data

- 7.7. Collaborative Research Policy;
- 7.8. Media Relations & Social Media Protocol Framework;
- 7.9. Fraud Prevention Policy; and
- 7.10. Standard Operating Procedure for the Identification, Reporting and Actioning of Irregular and Fruitless & Wasteful Expenditure

8. POLICY AUTHORITY

The Executive Management Committee (EMC) is responsible for the maintenance and review of this policy. Board approval is required.

Category:	Level 1
Risk:	Strategic
Effective Date:	August 2023
Review Date:	September 2024
Policy Owner:	President
Policy Manager / Cognisant Person:	Management of the SAMRC
Board Approval:	July 2023

Confirmation of Approval



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Prof Glenda Gray
President & CEO

15 August 2023

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Date